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ANALYSIS OF SINO-AMERICAN RELATIONSHIPS

Mo1 Pi-hua

A. US World and Far Eastern Policy

1. The Truman Doctrine is War

The US postwar foreign policy is the Truman Doctrine of building a world empire. The Marshall Plan is a chapter of the Truman Doctrine in Europe; the Pan-American Defensive Alliance is a chapter of the Truman Doctrine in the Americas; and in the Far East a similar chapter is in the making, only it has not yet been termed the Marshall Plan.

The Truman Doctrine is the postwar edition of the "New Order in Europe" of Fascist Germany, and the "Co-prosperity Sphere of Greater East Asia" of militarist Japan. No matter how skillfully the Truman Doctrine is disguised, it certainly is a policy headed for war. Therefore, the Truman Doctrine is war.

In World War II the US was an upstart. After the war was over she controlled more than half of the world's total production, or more than two thirds of the capitalist world's total production. In order to maintain high profits, of course, America desired domestic exploitation and foreign expansion, which meant in foreign policy the increasing of exports to preserve old markets and the opening up of new ones, to build a gold dollar world empire. These methods, for the benefit of the US monopoly capital group, necessarily led to opposing the American people, the people of colonial and semicolonial lands, and the people of other imperial nations.

As to the US postwar foreign policy, the American political commentator J. S. Allen, in his "Monopolistic Capital and Peace" offers a very clear explanation:

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"The desire to profit by this excellent opportunity, and the desire to inherit the place in world economy occupied by the monopolistic capital of the defeated nations, and to absorb or exclude the industrial organizations of the war-weakened nations, is the motive for the US aggressive and expansionist foreign policy. The monopolistic groups are not satisfied with the prewar demarcation of world markets and spheres of influence, but vigorously struggle for a sort of new arrangement in the world sphere, so that US trusts may seize a position of control."

"Especially because during the wartime economic expansion they obtained new benefits, US monopolistic moguls not only have incomparably great power in their own country, but also hold advantageous positions with regard to foreign monopolistic capital. Thus they wish to escape possible restrictions or any form of governmental intervention that hinders their activities. These 'free enterprises' absolutely do not want anyone interfering with their freedom of activity at home and abroad. The chief aim of US foreign policy is to protect such freedom."

2. US-Colonial Policy Two-Sided

Ordinarily people think of the US as having no selfish desire for territory. Is this true in fact? The matter may be discussed under three heads: first, America is a late-comer in imperialism, so her plan for colonial empire is much smaller than that of Britain's; second, US overseas expansion does not stress seizure of territory, but rather penetration by monopolistic capital; third, though this is true, the US is not entirely free from desire to seize territory.

The form of imperialistic control of colonies is not static, as following the development of history, it grows into higher forms. In the period of imperialistic expansion of territory, at times a colonial company was organized, there was purchase of territory, explorers planted a national flag, or there was seizure by armed force. The US has employed all these methods. In 1776, when the American colonies declared independence, they had barely 386,000 square miles; in 1953, US territory had increased more than eightfold; by 1900 it had grown to tenfold. In a word, in the last 130 or more years, while US growth has not been equal to that of several other advanced colonial empires, yet in actual results, including monopoly of raw material, obstructing the industrial development of other countries, upholding the power of backward feudalism, etc., there is no real dissimilarity with British expansion.

Later, US expansion took another form; it practiced economic and political penetration into the present British, French, and Dutch colonial empires and in a number of so-called independent nations. The maintenance of the Monroe Doctrine and the Open Door Policy in the Far East are the fundamental objectives of US expansionist policy. The Monroe Doctrine excludes other imperialist powers from the Western Hemisphere; the Open Door breaks up the spheres of influence of other advanced imperialisms in the Far East, to throw open a road for US monopolistic imperialism.

The seizure of territory has natural limits, but the sphere of activities of expanding monopolistic capital has no limits. Expanding monopolistic capital becomes the driving force of an expansionist policy. This includes banking, industry and trade with the chief motive to increase the profits of monopolistic capital.

The outcome of World War II also gave the US an opportunity to expand its territory. Looking only at the Far East, going from Hawaii towards the Orient, the US came to the bases in the Pacific, in South Korea, Ch'ing-tai, Sheng-hai, and along the coast of the Asiatic Continent. Some were taken from Japan, some are in British, French or Dutch

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possessions, some in so-called independent countries. These land and sea bases have made for America a two-sided colonial empire, continental and oceanic.

Therefore under America's expansionist policy, seizure of territory is not excluded. The chief form of this expansion is, however, the increase of monopoly capital power. Every foothold occupied by US military forces is a base for economic and political expansion.

The expansionist policy now followed by the US, while not advocating varlike measures like Japan's, is really the same. It assumes a hypocritical mask for ease in deceiving the people of the beleaguered nations. This may be considered a special feature of the US expansionist policy.

3. The Key to Opening the Great Door of the Far East

When Japan surrendered, the US at once took over the possessions of Japanese imperialism as her own. This includes all the colonies obtained by Japanese imperialism during the preceding century by whatever means, and regions captured in World War II. Now, Japanese imperialism has shrunk to the main islands of Honshu, Shikoku, Kyushu and Hokkaido and the smaller islands; Japanese troops have been disarmed, but in truth, the Japanese monopoly capital which is the hidden strength of Japanese imperialist aggression has combined with the US monopoly capital groups.

The loss of colonies suffered by Japanese imperialism is by no means the same thing as a change in imperialism's essential nature. In the Allies' joint Declaration of Potsdam, even such stipulations as the abolishing of excessive hidden war strength and the support of democratic movements are included. To shelve these stipulations (as has in fact been done) and merely to force Japan to disgorge her colonies piecemeal, is really not enough to show Japan's trend toward peace. The Cairo and Potsdam Declarations did not provide for the independence of any colonies in the Far East. They were returned to their former imperialist owners.

In the Far East, Japan alone was a highly developed capitalistic nation. The monopoly capital group in present-day Japan can rule this nation more thoroughly than at any time in the past. This same Japan, which in wartime made a complete conversion of factories, changed from a nation of predominantly light industries and rather low production, into one of highly centralized economy and highly controlled heavy industry. Ceaseless bombings and two atomic bombs have not destroyed Japan's potential industrial strength. Japan's industries were stronger at the time of her unconditional surrender than when she started war in 1931 and in 1941. Present-day Japan's monopoly capital group is just now aligning with the American monopoly capital group for expansion.

The Chinese people fully hope for the restoration of peace in the Far East at the earliest possible date. The making of a just and durable peace in the Far East is fully appreciated. This is only possible under the conditions agreed upon by the four important allies that gained the victory over Japanese imperialism. But the chief concern of the US is far different from this. What the US proposes is an American monopolized "peace," by no means a just and durable peace. The policy of the US in calling a preparatory conference for a peace treaty with Japan completely reveals this aim. The US has no solicitude for the benefit of the various peoples living in the Far East.

US policy in the Far East aims to maintain an industrial Japan, and to keep China an agricultural nation. The Far East, in general, would be a colonial empire of the US, supplying her with raw materials and a market for her products. The US is forcing every government in the Far East to accept this policy. The US controls Japan as a key so it can organize every Far Eastern nation in her expansionist net.

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4. A Two-Sided Policy

Speaking of the Far Eastern situation, just before Truman presented his proposal to the Congress concerning aid to China, American officials came to this conclusion. "Within the next 3 or 4 years, the US, in order to extend the political and economic war strategy involved in the Marshall Plan so as to prevent the growth of communist strength in Europe, can do no more than adopt a defensive attitude in combating Communism in the Far East. The US defensive attitude in Asia must take Japan or even Korea as a hinge, and with regard to basic aid to China will not make a genuine and effective attempt" (United Press, Washington, 15 February 1948).

This does not seem advantageous to the Chinese government. And there are some who think that there remains a certain amount of remoteness between the Chinese and American governments. As a matter of fact, the above United Press telegram and Marshall's view are used just to conceal the large-scale US plan for aid to China. The US group supporting Japan have by no means shelved China.

The development of the various countries in the capitalist world is not equal, neither are the political and economic conditions. Therefore, while the principles of US foreign aid have an over-all relationship, yet as to form, in conditions demanded, and in the varying goals sought, there may be wide variety. From the standpoint of Wall Street's advantage, whether the military strategic situation is critical or not is the important point. From China's viewpoint, the force of the US China policy, no matter how much less force is applied in Europe or in Greece, is still the same. The US schedule of Europe first, China next, is not worth serious consideration, because helping Europe and China are but two aspects of the same US policy.

B. The 1948 Aid-to-China Bill

1. Conditions and Compensation

The Foreign Aid Bill states that its aim is: "To promote by aid to China, America's welfare, national benefit and foreign policy."

The bill also provides: "Whatever employees are sent from America to help the Chinese government as advisers are to fulfill these aims of the Bill" (Section 3, A-4). This means to give help of a supervisory nature, and to interfere directly in the executive functions of the Chinese government and the people's economic life. It goes on in detail to provide for intelligence work, which shows yet more clearly how closely the Chinese and American governments are linked.

Of the US loan, a small part is for military aid, and a large part is for economic aid. The economic aid is mostly consumer goods, including wheat, rice, cotton, petroleum, soap, tobacco, metals, drugs, coal, machine parts, etc. A small portion is for construction work, including investments in the Shang-hai Sino-American United Electric Company, the Kuang-chow-Hang-chow Railway, West Kiangsi and Kiang-t'an coal mines, Taiwan and South China sugar mills, and cement plants in various places.

After these goods arrive, they are to feed and clothe 5 million soldiers, 3 million government workers and teachers, 2 million cultural and technical workers, so that they feel no lack of the necessities of life. This seems a beautiful picture. But it is not hard to calculate what proportion these 10 million make of China's total population. Moreover here is still a loophole; namely that these "civilian" goods can be transformed into "military" goods. Again, how are these goods to be distributed, how kept from flowing into the black market? This is difficult to answer.

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Do reconstruction funds involve military matters? It is needless to say that during a civil war economic reconstruction, railroads and harbors have a direct relation to military matters. When was a ton of coal or a barrel of cement unrelated to military matters? In Greece reconstruction funds were, under the stress of military conditions, put to military use. Who can guarantee that such conditions will not arise in China?

Truman's message to Congress states that this bill "Can enable the Chinese government to use its limited supply of American dollars to meet its most urgent needs" (USIS, Washington, 18 February 1948). This, of course, saves foreign exchange for the Chinese government to buy most urgently needed munitions for the civil war.

It is said that China's international payments could be balanced by aiding in conserving foreign exchange. After large consignments of US goods entered her ports, they could only revive supply for a short time; thereby it was difficult to increase production (whether export goods or not). Under conditions for the 10 months before 1947, China's excess of imports was 25 million yuan per month. US imports might have measurably offset the loss due to excess of imports. However, along with US goods brought in to conserve foreign exchange for the Chinese government, there would come a severe slack in production of export goods. This is the state of affairs which arose in Britain after the British loan was put through. How can calculations be made for China's economy which is many times weaker than Britain's?

The Bill also provides: "During the time when there can be mutual agreement, under just conditions, materials shall be sold to the US for stock-piling purposes. These materials are those of which the US herself has actual or potential shortage. It is understood that these can be obtained in China after an appropriate estimate has been made of the just needs for China's domestic use and commercial export" (Section 5, D).

This explains how the US, while helping the Chinese government in the form of loans and gifts, while allowing China to escape repayment in cash, yet enlarges the outlet for material to flow to the US. For years China's purchase of surplus US material (except credits which are to be settled in cash) has almost always been paid for in Chinese materials. This method is the same as in the European aid plan. This is the US plan for seizing the entire world's strategic war materials. A Democratic Congressman said: "In carrying out the Marshall Plan and giving Europe all the money, of course we must have compensation, we must get in return many important strategic materials and bases" (United Press dispatch, Washington, 18 January 1948). Of course, it is the same in the case of China as of Europe.

Besides, there are widespread rumors that the government will consider a conditional opening of Ch'ang Chiang (Yangtze River) ports as further compensation to the US. The "American Evening News" which is connected with the US Embassy first reported: "In regard to internal navigation, China must observe international custom. At present, for the benefit of a few shipowners, she is imposing extraordinary restrictions on foreign commercial ships. China is not only cutting down an efficient communication, but also adding to the cost of transportation" (29 January).

Not long after, the head of the Chinese News Service, Tung Hsien-kuang (Hollington Tong), said at a press conference: "The Chinese government, in an emergency may open or close any coastal or inland port in the matter of foreign ships loading exports or discharging imports" (Central News Agency dispatch, Nan-ching, 19 February 1948).

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2. Dollars and Bases

Military aid is the main item in American aid to the Chinese government, and does not have to be discussed slowly in Congress, or legislated bit by bit. If one looks at the American political structure and legislative procedure in a matter-of-fact way, one is likely to be deceived. It is well known that the US foreign activity must first be approved by Congress. That is one aspect of it; other aspects involve cases of acting first, then explaining. The US varied activities in China are considered as a part of the unfinished war work, and were pursued by the US administration and later by the US Army Advisory Group and by US administrative officials within their jurisdiction. The Navy ships were first delivered; then, the delivery was authorized by Congress. After American Army headquarters in China were discontinued there was set up an Army Advisory Group, at that time without any legal basis. On 25 June 1947, the House Military Affairs Committee passed a Bill, empowering the President to send a Navy and Army group to foreign countries. This was finally passed by the entire House on 15 February 1948; however, it has never been touched by the Senate. By the end of March, the officers and men in the Army Advisory Group numbered 1,493.

Functions of the US Army Advisory Group were at first limited to repatriation of prisoners and residents abroad; in fact, even the training of Chinese troops was included. This point has never been publicly admitted by the Chinese or American governments. At the end of September 1947, The United Press got this news from the Advisory Group. The US has already agreed to a plan to help China train, equip and supply ten divisions of the national army. The training will be directed by Sun Li-jen in Taiwan. Before this, the Advisory Group was restricted to training technicians and medical corps troops; now it has been enlarged to include infantry divisions. Recently some Congressmen have also advocated doing away with the prohibition against members of the Advisory Group visiting the front. Only, Wedemeyer, Chennault and their kind have not yet advocated American troops directly participating in battle.

MacArthur's cable to Congress on the China Aid Bill bears witness, when he fluently observed: "And we should not underestimate the importance of a friendly and peaceful China to America even in global strategy" (United Press dispatch, Washington, 3 March 1948).

This plainly proclaims that China should arrange in US Far Eastern military arrangements for exchanging China bases for US dollars, as was long ago stated in the American press. For example, the New York paper PM reported: "China plans to borrow 10 - 15 million dollars on naval air bases at Ch'ing-tao and in Taiwan as collateral; Taihoku (T'ai-pei) and Keelung (Chi-lung) are directly mentioned, and it is said Ti'hua, Hsi-an and Ch'eng-tu may be included" (15 June 1947).

Indeed Ch'ing-tao has already become a base for the US Western Pacific fleet. The Commander in Chief of the Chinese Navy, Kwei Yung-ch'ing says: "For every day that China cannot protect her coasts there is need for the US Navy to remain." The US wants to help maintain China's northern coastline and has made Ch'ing-tao an American naval base. "From the viewpoint of Far Eastern strategy this is tremendously important, especially now when Ta-hen (Dairen) and Lu-shan (Port Arthur) have not yet been returned to us" (United Press dispatch, Ch'ing-tao, 24 February 1948). In fact, the US is spreading a net of coastal bases beginning with the new harbor at T'ien-ching, including Ch'ing-tao, Taihoku (T'ai-pei), Keelung (Chi-lung), Huang-p'u and Hsi-an Tao. This net of bases uses Taiwan as their main base. Taiwan is a large military station far from the civil war battle fields, easily supplied with food; it can control the mainland coast, and troops can be sent out from Taiwan by sea more easily than from other areas of China. Reports on the US Pacific strategy conference in Tokyo at the end of August

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last year are that the US still hoped to preserve the large air base built during the war at Ch'eng-tu in the interior of China, because with Ch'eng-tu as a center, an American air force could control the heart of Central Asia. Recently Chennault, flying from China to the US, and appearing before Congress to testify on the China Aid Bill, bluntly said that the Third World War had already begun from the civil war in China; therefore: "The US must give the Chinese army sufficient force to maintain Lan-chou and Esian in the northwest, because those areas still have usable air bases which the US could use when necessary for bombing the industrial heart of the Soviet." (United Press dispatch, Washington, 23 March 1948).

All these testify that the US wants not only the one place of Ch'ing-tao, but also the coast and the interior. It looks like all China must be swallowed!

It is not yet known to what use the military funds provided in the China Aid Bill are actually to be put. While Marshall opposed the inclusion of military items in the China Aid Bill, he finally yielded to Congress. Marshall was not fundamentally opposed to military aid for the Chinese government. He himself said: "Military aid includes munitions and airplanes taken out of surplus from the war, which is much larger than has yet appeared, and is now being supplied" (United Press dispatch, Washington, 26 February 1948).

Moreover a well-informed and official news source predicts: "Although the State Department opposes military aid, yet in a few months the US will give quite a large amount of military aid to the Chinese government" (United Press dispatch, Washington, 7 March).

The blueprint, developed to this point, is already very clear. Radicals, conservatives, businessmen, rally together for US aid to the Chinese government. They merge without any differences. Military and economic aid are like a double-barrelled weapon. Military aid increases every day, and is more than economic aid. Still we cannot exclude the function of economic aid. In the US policy vis-a-vis China, military and economic foreign activities are mutually consistent and co-ordinated.

3. American Aid and Its Results.

Now go a step further and examine the "new aid" of 463 million. What effect will it have on China? Will it "produce large results in regard to China?"

Of course this American "aid" will follow the pattern of previous "aid" to China and to other governments. Whether 460 million, 46 billion or 46 American dollars, they alike help intensify civil war. The "new aid bill," though labeled "Economic Support," in fact, only provides that "not more than one percent at most" (Chapter IV, item 407) of the funds is to be used for "rural rehabilitation"; most of the remainder will be used to intensify the civil war, directly or indirectly.

However this is not to say that the 463 million dollars of "new aid" will not "produce large results in China." Just how much use can 463 million dollars be to China? Just what proportion of the hopes of American interventionists can it realize? Let us make several statistical comparisons:

1. From the beginning of full-scale civil war until now, 22 months duration, the government has spent on civil war 8 billion dollars of American "aid," also 900 million dollars and 6 million ounces of gold (equivalent to 400 million American dollars at the market rate); add to this one billion American dollars' worth of property left by the enemy and puppets. Also during this period the fiat currency grew from 700 billion to the present smallest

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estimate of 200 trillion, which amounts at an average rate of exchange to one and a half billion American dollars. All together in 22 months there has been spent directly and indirectly on the civil war, 11,800 million American dollars, an average requirement of about 600 million American dollars per month or 20 million American dollars per day: 463 million American dollars is only equal to the Chinese government's war expenditure for 23 days!

2. According to statistics in Millard's Review of 10 January 1948, civil service employees, soldiers and police in the Chinese government system, including local government, totaled about 18 million persons distributed as follows:

a. Troops	5,000,000
b. Civil Service and teachers	3,000,000
c. Cultural and technical workers	2,000,000
d. Provincial government employees	1,000,000
e. Hsien government employees	9,000,000

How much money does it take to keep this huge army alive, to barely maintain the present status? Some estimate that according to prewar standards, 8,276,000,000 silver yuan (prewar standard) per year would be necessary, which would be 1,092,000,000 American gold dollars. (National News, American Aid to China, by Chin Feng). That is, if the 463 million American dollars were to be used to improve the treatment of civil service employees and teachers (as suggested in a certain newspaper), the money would not last five months.

3. Take Greece as an example: from the end of the war until 2 April 1948, when the Foreign Aid Bill was passed, Britain and America invested in Greece 150 million pounds (500 million US dollars) and 300 million US dollars, total of 900 million US dollars, through a period of 30 months. But Greek government troops number only one-fortieth of Chinese government troops, that is, 120,000 men. If the US wants to support the Chinese government army with gold dollars, judging by the example of Greece, we must have 41 times 900 million dollars, that is 37 billion US dollars, just to support it for 30 months, which means a monthly need of one billion 230 million US dollars and 463 million is not as much as one third of that amount. --- But this is a foreign example, and cannot serve as a guide to judge Chinese affairs. This method of calculating merely shows one aspect of the effectiveness of 463 million dollars.

From these three statistical comparisons, one can conclude that even if the "new aid" of 463 million US dollars is not spread over a year, but used all at once, it is not as formidable as some people boast, and cannot have any "large effect in China."

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